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# A BILL FOR AN ACT

RELATING TO AUDIT RECOMMENDATIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 23, Hawaii Revised Statutes, is amended  
2 by adding a new section to be appropriately designated and to  
3 read as follows:

4           "§23-           Audit recommendations; annual report. (a) Not  
5 later than twenty days prior to the regular session of 2009, and  
6 each regular session thereafter, the auditor shall submit a  
7 report to the legislature of each audit recommendation the  
8 auditor has made that is more than one year old and that has not  
9 been implemented by the audited agency. The report shall  
10 clearly identify:

- 11           (1) The state agency audited;  
12           (2) The audit that contained the recommendation;  
13           (3) A brief description of the recommendation;  
14           (4) The date that the audit was issued; and  
15           (5) The most recent explanation provided by the agency to  
16           the auditor on the status of the recommendation.

17           (b) Any agency that is notified by the auditor that it has  
18 not implemented a recommendation made pursuant to this chapter



1 more than one year prior shall submit a written report to the  
2 auditor, the president of the senate, and the speaker of the  
3 house of representatives not later than thirty days after such  
4 notification explaining why the audit recommendation was not  
5 implemented and the estimated date of implementation of the  
6 recommendation."

7 SECTION 2. Section 23-4, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 **"§23-4 Duties.** (a) The auditor shall conduct postaudits  
10 of the transactions, accounts, programs, and performance of all  
11 departments, offices, and agencies of the State and its  
12 political subdivisions. The postaudits and all examinations to  
13 discover evidence of any unauthorized, illegal, irregular,  
14 improper, or unsafe handling or expenditure of state funds or  
15 other improper practice of financial administration shall be  
16 conducted at least once in every two years after the close of a  
17 fiscal year, and at any other time or times during the fiscal  
18 year as the auditor deems necessary or as may be required by the  
19 legislature for the purpose of certifying to the accuracy of all  
20 financial statements issued by the respective accounting  
21 officers and of determining the validity of expenditures of  
22 state or public funds.



1        (b) Each department, office, or agency of the State or  
2 political subdivision thereof that is the subject of an audit  
3 performed pursuant to this chapter shall provide updates on its  
4 progress in implementing the recommendations made by the  
5 auditor, at intervals prescribed by the auditor.

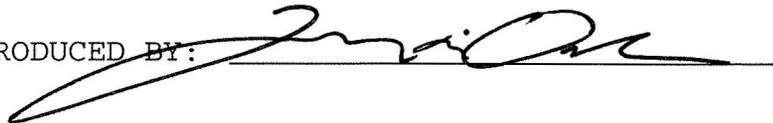
6        [~~(b)~~] (c) The auditor, in conducting postaudits, to the  
7 extent practicable and applicable to the audit scope and  
8 objectives, shall review and assess the audited agency's rules  
9 as defined in section 91-1."

10        SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12        SECTION 4. This Act shall take effect upon its approval.

13

INTRODUCED BY:



JAN 22 2008



**Report Title:**

Auditor; Recommendations

**Description:**

Requires the Auditor to submit an annual report to the Legislature identifying all audit recommendations more than one year old that have not been implemented. Requires all affected agencies notified by the Auditor that an audit recommendation more than one year old has not been implemented to submit a written report to the Auditor, the Senate President, and the Speaker of the House of Representatives explaining why the recommendation was not implemented and the estimated date of implementation. Requires each department, office or agency, or political subdivision subject to an audit to provide updates on the implementation of the Auditor's recommendations at intervals prescribed by the Auditor.

